

MINUTES

Professional Liaison Meeting

DATE: October 28th, 2010
TIME: 1:00-3:00 p.m.
LOCATION: District 4
111 Grand Avenue
Oakland, CA 94612

CALTRANS STAFF

Balsi, Mark (Analyst, Consultant Services Unit)
Blampied, Nigel (Principal, Program Project Management)
Faustino, Marian (Branch Chief, Consultant Services Unit)
Fuentes, Romy (Branch Chief, Consultant Services Unit)
Kang, Joon (Contract Manager, Consultant Services Unit)
Nguyen, Trinity (Office Chief, Consultant Services Unit)
Rodriguez, Phillip (Analyst, Consultant Services Unit)
Tsang, Kee (Contract Manager, Consultant Services Unit)

Invited Speakers

Aguila, Carlos (External Audits Chief, A&E, Construction & Prop. 1 B Projects)
Bayar, Zoe (Chief, A&E Acquisitions)
Laubinger, Linda (Audit Manager)
McElhinney, Dan (Chief Deputy District Director)
Neri, John (District 4 Coordinator) DPAC

CONSULTANTS

Aikawa, Mark (CH2MHILL)
Alman, Scott (MACTEC)
Bingham, Jeffery (PARSONS)
Chen, Po (Mark Thomas & Co.)
Coles, Christopher (ANCHOR ENGINEERING)
Christman, Pat (TOWILL)
Duggan, Kevin (4LEAF, Inc.)
Fenrich, Susan (The Hanna Group)
Gaerlan, Natalia (KLUBER + ASSOCIATES, INC.)
Grogan, Scot (CHS Consulting Group)
Hadaya, William (WMH)
Holmberg, Tom (ANDREGG GEOMATICS)
Hopkins, Ted (SHANNON & WILSON, INC.)
Klim, Terry (DKS Associates)
Kluber, Frank (KLUBER + ASSOCIATES, INC)
Krupa, Paul (Krupka Consulting)
Lehane, Andrew (Shaw)
Loomis, Thomas (Hill International)
Lundgren, David (CH2MHILL)
Ly, Amy (WRECO)
Lusharovich, Gene (HNTB)
McClain, Ryan (FEHR & APEERS)
Mendenhall, Steve (PSOMAS)
McManus, Terrence (Kleinfelder)
Morgan, Kerry (CALTROP)
Nazeri, Massoud (Naseri & Associates Architects, Inc.)
Nguyen, Tuan (URS)
Panayotou, Nick (The Hanna Group)
Rodriguez, Nicole (RMA Group)
Rowe, Kevin (AGC CALIFORNIA)
Sana, Frank (VSCE)
Sathiamurthy, Ramesh (URS)
Sarmiento, Grace (Summit Associates)
Scott, Leticia (COOPER PUGEDA MANAGEMENT INC.)
Stitt, John (CHAUDHARY & ASSOCIATES)
Sullivan, Lauren (Leland Saylor Associates)
Villafranca, Joy (AECOM)
Vogler, Kurt (Bonkowski & Associates, Inc.)
Wang, Jack (AGS)
Windle, Beverly (Mondoza & Associates)
Yu, Ming-Chen (AMC Consulting Engineers, Inc.)
Zaeni, Bruce (moffat & Nichol)
Zikoor, Vic (Anil Verma Associates, Inc.)



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**Quarterly Professional
Liaison Meeting Minutes
October 28th, 2010
Park View Room #15-700
01:00 pm - 03:00 pm**

Introduction / Executive Staff Address

Trinity Nguyen, Office Chief, Consultant Services Unit (CSU), welcomed the attendees and led cultural introductions. Chief Deputy District Director Dan McElhinney delivered the opening address. The following is a brief summary of the topics covered in the address to the consultants:

- Caltrans is committed to being available to and sharing information with the consultant community.
- The District 4 Calmentor Program is a very active and successful outreach program. An outreach event was held in October and was sponsored by the Calmentor members.
- The state budget was signed. Unfortunately, the capitol outlay program has been reduced significantly.
- Statewide, Caltrans is 2-3% overstaffed.
- The A&E budget will be reduced from last year's amount. However, the exact amount of reduction for District 4 is not yet known.
- State offices will now be open Monday through Friday. All state workers will be required to participate in self directed furloughs.
- Caltrans celebrated the "punch-through" of the north portal of the Devil's Slide Tunnel on State Route 1 (SR-1), in San Mateo County, on October 1, 2010.
- The San Mateo Bridge was re-opened on Saturday, 10/16/10. A crack in a wishbone shaped steel beam was repaired.
- Work on the Self-Anchored Suspension Span's single 525-foot tall tower began this week, as crews began lifting the second set of sections into place.
- The minutes from the July 28, 2010 Professional Liaison Meeting were approved.
- CSU has processed the majority of all outstanding invoices.

D4 Look Ahead Report

Mrs. Nguyen introduced Romy Fuentes, Branch Chief Consultant Services. The following is a brief summary of the topics covered during Mr. Fuentes' presentation:

- District 4 recently executed two contracts for construction support (04A3544) and underground storage tank investigation and monitoring (04A3553).
- Several A&E contracts are in the cost negotiation phase and will be executed in the near future.
- A district wide contract, for construction/environmental engineering and inspection, will be advertised on November 1, 2010. The contract is valued at \$3 million over a three year period. Please contact bo_yuan@dot.ca.gov
- The bidsync website (<http://caltrans-opac.ca.gov/>) contains both current and historic records of contract bids.
- A district wide contract, for Visual Impact Analysis, will be advertised in December 2010. Please contact joon_kang@dot.ca.gov
- Two district wide contracts, for Materials Sampling and Testing and Construction Claims Services, will be advertised in February 2011. Please contact bo_yuan@dot.ca.gov
- A non A&E contract, for Staff Support for the Toll Bridge Program Office of Small Business, is being advertised between 10/26/10 and 11/23/10.
- An on-call Emergency Hazardous Waste Investigation contract is tentatively scheduled for advertisement during November 2010.



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DPAC Updates

Mrs. Nguyen introduced Zoe Bayar, Chief A&E acquisitions. Mrs. Bayar's presentation covered updates to the Department of Procurement and Contracts (DPAC). The following is a brief summary of the topics discussed in that presentation:

- New BidSync instructions are posted on line at the DPAC website: <http://caltrans-opac.ca.gov/>
- No significant changes have been made to the negotiation process, as a result of Cognizant Audit requirements.
- Caltrans does not negotiate overhead rates.
- Consultants must now provide documents to the DPAC coordinator, which support their proposed overhead rates.
- Consultants who receive contracts with a minimum value of \$3.5 million are now required to provide an independent CPA report and complete an Internal Control Questionnaire (ICQ) or provide an independent cost rate form an approved state DOT.
- Sub-contractors must also be in compliance with 23 CFR 172 and the FHWA.
- Consultants with a contract valued at less than \$3.5 million are not impacted by the new requirements.
- DPAC Negotiators consider the following factors when negotiating fees:
 - Type of services needed
 - Length of the contract
 - Dollar value of the contract
 - Number of subs / small businesses
- A process bulletin is currently being developed by DPAC.
- Francesca Negri is the new Division Chief at DPAC. Francesca replaced Bill Fackenthall.
- Mr. John Neri, DPAC Coordinator, reminded the consultants that they are not permitted to contact panel members during the RFQ submission process.
- The contract analyst, listed on the RFQ, is the only allowed contact, once the RFQ process has commenced.
- ICR's must be completed by an independent third party and must be verifiable.
- Policy regarding former Caltrans employees participating in contract interviews / negotiations is addressed in all RFQ's. Please see section V. of the DPAC website titled: POST-GOVERNMENT EMPLOYMENT RESTRICTIONS, http://caltrans-opac.ca.gov/documents/SOQ_Instructions_014.pdf
- Conflict of interests is also addressed on the fair and political practices website. <http://www.fppc.ca.gov/>
- Consultants must remain consistent about which items are included in their overhead rates.

For further clarification of contract related issues, please contact John Neri @ john_neri@dot.ca.gov
or
www.fhwa.dot.gov/programadmin172qa.cfm



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Mrs. Nguyen introduced Carlos Aguila, External Audits Chief, A&E, Construction & Prop.1B Projects, and Linda Laubinger, Audit Manager, DPAC. The following is a brief summary of the topics covered in that presentation:

California Department of Transportation (Caltrans) A&E Risk-Based Model

The new risk based model 23 CFR went into effect on 07/01/2010.

Application

- Stratifies the universe of A&E consultant contracts into three (3) distinct pools.
- Each pool will be determined in succession, i.e. Pool 2 cannot be determined until Pool 1 is established.
- Consultants will be further risk-ranked within each pool.
- Audits are focused is consultants rather than contracts.

Pool 1 Consultants and Contracts

- Comprised of prior fiscal year's executed Department A&E contracts that are = or > \$3.5 million.
- Consultants fall into the Pool 1 category if they have one executed contract that is = or > \$3.5 million.
- Pool 1 consultants are required to have annual Independent CPA-Audited Indirect Cost Rates.
- Pool 1 applies to prime consultants.

Pool 2 Consultants and Contracts

- Initially comprised of the remaining prior fiscal year's executed Department A&E contracts, excluding the Pool 1 consultants and associated contracts (prime contractors and sub contractors).
- Next step is to sort the contracts by consultant and then by total contract dollars.
- A 50% cut-off will be applied to the sorted list. Pool 2 consultants will be those above the 50% cut-off.

Pool 3 Consultants and Contracts

- Comprised of the remaining consultants and contracts not included in Pools 1 and 2.

Benefits

- Risk-ranking consultants (High, Medium, Low) allows Audits & Investigations to determine the nature and extent of audit procedures to be applied.
- More effective and efficient use of available audit resources.
- Compliance with 23 CFR 172 and FHWA approval.

Note:

- Firms that receive an approved ICR in California may use that ICR in other states and for local projects that receive federal funding.
 - Criteria for ranking pool 2 consultants was established from several sources, including other state DOT's.
 - Audits & Investigations reserves the right to perform an audit at any point during the life of the contract.
 - Caltrans accepts ICR approval letters from other DOT's.
 - Approved ICR's, from the prior fiscal year, are acceptable. Please see page 12 on the following link:
http://caltrans-opac.ca.gov/documents/SOQ_Instructions_014.pdf
 - Audits will focus on Pool 1 consultants, as this pool represents the higher dollar value risk.
 - Consultants should used due diligence when selecting the CPA who will perform the ICR
 - Caltrans issues ICR approvals when requested by another DOT or when the Risk-Based Model requires it.
- Audits & Investigations may be contacted at: (916) 323-7111 or audits_and_investigations_questions@dot.ca.gov



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General Q&A from the Attendees

Mrs. Nguyen thanked the meeting attendees and the featured speakers for attending the meeting. The next Professional Liaison Meeting (01/27/11) will be combined with the Calmentor Program meeting.

Information on the Calmentor Program is available @
<http://www.dot.ca.gov/dist4/calmentor/> or romy_fuentes@dot.ca.gov

Adjourn

Next Meeting – January 27, 2011